

CASE STUDY OF ECOALF: SUSTAINABLE BUSINESS MODEL IN FASHION INDUSTRY

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This case study focuses on sustainable business models and startups by exploring how sustainability can be integrated into the core strategy of a new venture. Sustainable startups, such as ECOALF, are designed to address environmental and social challenges while maintaining profitability. ECOALF, a Spanish fashion brand founded in 2009, exemplifies this approach by transforming waste materials such as plastic bottles, fishing nets and tires into high-quality fashion products. As a B Corp certified company, ECOALF operates within a circular business model, demonstrating that sustainability can be a competitive advantage in the fashion industry. The primary objective of this case study is to analyze ECOALF's sustainable business model and illustrate how the company has successfully balanced environmental and economic goals. By exploring ECOALF's innovative processes, stakeholder partnerships, and strategic initiatives, this case provides insights into how startups can implement sustainable business models to achieve long-term growth and positive environmental impact. It also offers practical lessons for using the Sustainable Business Model Canvas to enhance sustainability in business strategy.

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ŠTUDIJA PRIMERA ECOALF: TRAJNOSTNI POSLOVNI MODEL V MODNI INDUSTRIJI

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Študija primera se osredotoča na trajnostne poslovne modele in startup podjetja ter raziskuje, kako je mogoče trajnost vključiti v osnovno strategijo novega podjetja. Trajnostna startup podjetja so zasnovana za reševanje okoljskih in družbenih izzivov, hkrati pa ohranjajo dobičkonosnost. Španska modna znamka ECOALF, ustanovljena leta 2009, je primer tega pristopa, saj odpadne materiale, kot so plastenke, ribiške mreže in pnevmatike, spreminja v visokokakovostne modne izdelke. ECOALF je prejel certifikat B Corp in deluje v okviru krožnega poslovnega modela in dokazuje, da je trajnost lahko konkurenčna prednost v modni industriji. Glavni cilj te študije primera je analizirati trajnostni poslovni model podjetja ECOALF in prikazati, kako podjetje uspešno usklajuje okoljske in ekonomske cilje. Z raziskovanjem inovativnih procesov podjetja ECOALF, partnerstev z deležniki in strateških pobud ta primer omogoča vpogled v to, kako lahko startup podjetja implementirajo trajnostne poslovne modele za doseganje dolgoročne rasti in pozitivnega vpliva na okolje in družbo. Ponuja tudi praktično uporabo okvirja trajnostnega poslovnega modela za krepitev trajnosti v poslovni strategiji.



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1 Literature Review

1.1 Introduction

The fashion industry, known for its environmental and social challenges, is undergoing a transformation driven by sustainable business models. As the world grapples with the consequences of climate change, resource depletion and waste management, companies are increasingly recognizing the need to adopt practices that prioritize sustainability alongside profitability. Sustainable startups, which integrate environmental and social goals into their core operations, are playing a critical role in this shift by using innovative business models to address global challenges.

This case study examines ECOALF, a pioneering Spanish fashion brand founded in 2009, as a leading example of a sustainable startup. ECOALF's business model is based on the principles of the circular economy, transforming waste materials into high-quality fashion products while reducing dependence on virgin resources. Through its innovative approach to recycling and commitment to sustainability, ECOALF has achieved global recognition as a B Corp certified company, setting a new standard in the fashion industry.

The purpose of this case study is to analyze how ECOALF's sustainable business model works and to provide insights into its operations, challenges, and successes. Using the Business Model Canvas as a framework, this study will explore key components of ECOALF's strategy, including its value proposition, key activities, partnerships, and revenue streams, while also identifying areas for future improvement. This case provides valuable lessons for other startups and established companies looking to integrate sustainability into their business models.

1.2 Sustainable Startups

The number of sustainable startups is increasing, representing a significant and growing segment of the entrepreneurial ecosystem. These startups are distinguished by their dual focus on developing business solutions that address environmental and social challenges while also achieving financial viability. They are distinct from traditional businesses in that they integrate sustainability into the fundamental

aspects of their operations, strategy, and value proposition. This often manifests as a 'triple bottom line' approach, which balances economic, social, and environmental considerations.

1.2.1 Defining Sustainable Startups

A sustainable startup can be defined as a newly established or early-stage company that has been explicitly founded to address specific environmental or social issues through the implementation of innovative business models. As stated by Muñoz and Cohen (2018), sustainable startups are founded with the explicit intention of creating positive environmental and social impacts, which are regarded as the primary objective of the venture, rather than a mere byproduct of their operational activities. This is in contrast to conventional startups, which typically prioritize rapid growth and financial returns as their primary objectives.

Sustainable startups frequently emerge in response to global challenges such as climate change, resource depletion, and social inequality. These companies utilize technological innovation, novel business models, and collaborative strategies to develop scalable solutions that contribute to a more sustainable future (Hockerts & Wüstenhagen, 2010). The defining characteristic of a sustainable startup is its capacity to integrate sustainability into its fundamental mission, thus aligning business success with the broader societal objectives. Table 1 presents the key characteristics that differentiate sustainable startups from traditional startups.

While sustainable startups are defined by a commitment to environmental and social impacts, conventional startups typically prioritize financial performance and market growth (Elkington, 2018; Schaltegger & Wagner, 2011). Conventional startups focus predominantly on achieving financial profitability and expanding their market share. Their primary goal is to generate economic returns, with success measured by revenue, profit margins, and investor returns (Ries, 2011). Although these startups emphasize scalability and innovation, their innovations are usually driven by market demand and financial incentives rather than by a commitment to social or environmental issues (Blank & Dorf, 2020). Stakeholder engagement in conventional startups often revolves around meeting investor interests and customer needs, with less emphasis on broader societal or environmental impacts (Boons & Lüdeke-Freund et al., 2018).

Table 1: Characteristics of Sustainable Startups

Characteristics	Description
Mission-driven focus	Sustainable startups are mission-oriented, with a strong commitment to addressing specific environmental or social issues. This mission often drives the startup's strategic decisions, guiding product development, market positioning, and growth strategies (Snihur & Bocken, 2022).
Triple bottom line	Unlike traditional startups that focus primarily on financial performance, sustainable startups pursue a triple bottom line approach, balancing economic, environmental, and social outcomes. This approach is central to their business model and is often reflected in their organizational culture and stakeholder relationships (Gauthier & Gilomen, 2016).
Innovation and scalability	Sustainable startups are often at the forefront of technological and business model innovation. They develop scalable solutions that can be replicated across markets and geographies, thereby maximizing their impact. Innovation in sustainable startups is not limited to products and services but also extends to processes, supply chains, and business models (Cohen & Winn, 2019).
Stakeholder engagement	These startups actively engage with a broad range of stakeholders, including customers, employees, investors, suppliers, and the communities they serve. Stakeholder engagement is critical for sustainable startups as it helps them align their operations with the values and expectations of their stakeholders, fostering trust and long-term relationships (Schaltegger & Wagner, 2011).
Resilience and adaptability	Sustainable startups often operate in volatile and uncertain environments, particularly when addressing emerging challenges such as climate change or social inequality. As a result, they tend to be highly resilient and adaptable, capable of pivoting their business models or strategies in response to changing circumstances (Shepherd & Patzelt, 2017).

Sustainable startups, on the other hand, are characterized by their mission-driven approach, addressing specific environmental or social challenges. Their strategic decisions are guided by a commitment to the triple bottom line—balancing economic, environmental, and social outcomes (Elkington, 2018). Unlike conventional startups, sustainable startups aim to generate value not only through financial success but also by positively impacting society and the environment (Schaltegger & Wagner, 2011). Their innovation spans beyond just products to include processes and supply chains, and they actively engage a wide range of stakeholders to ensure alignment with their mission and values (Pacheco, Dean, & Payne, 2010). Additionally, sustainable startups are highly resilient and adaptable, crucial for navigating the complexities of global challenges such as climate change and social inequality (Cohen & Winn, 2007).

1.2.2 Challenges and Opportunities of Sustainable Startups

The distinctive challenges faced by sustainable startups differentiate them from their traditional counterparts. One of the primary challenges is securing funding, as these startups often require patient capital that is aligned with their long-term sustainability goals (Hockerts & Wüstenhagen, 2010). Furthermore, startups that are pioneering new solutions or operating in emerging markets often encounter significant difficulties in navigating regulatory environments and market barriers.

Notwithstanding the aforementioned challenges, sustainable startups also possess considerable opportunities. The growing demand for sustainable products and services, driven by consumer awareness and regulatory pressures, presents a substantial market opportunity for these companies. Moreover, the growing availability of impact investing and green finance options provides sustainable startups with access to capital that is specifically earmarked for ventures with positive environmental and social impacts (Vence et al., 2022).

The future of sustainable startups appears to be promising, given the growing importance of sustainability in business strategy and consumer preferences. As global challenges such as climate change and social inequality intensify, the role of sustainable startups in driving innovation and providing solutions will become increasingly critical. The sustained development of conducive ecosystems, encompassing access to finance, regulatory frameworks, and market access, will be pivotal in enabling these startups to amplify their impact and contribute to a more sustainable and equitable global economy (Martins de Souza et al., 2024).

1.3 Sustainable Business Models

The concept of sustainable business models has emerged as a critical area of focus in both academic research and industry practice. A sustainable business model is one that not only strives for economic success but also incorporates environmental and social considerations into its fundamental operational processes. This approach to business challenges the traditional notion that the sole objective of a business is to maximize shareholder value. Instead, it emphasizes a broader concept of value creation that benefits a wider array of stakeholders, including the environment, society, and future generations.

1.3.1 Defining sustainable business models

A sustainable business model is designed with the intention of creating, delivering, and capturing value in a manner that is environmentally, socially, and economically sustainable. As posited by Lüdeke-Freund et al. (2018), a sustainable business model entails not merely the pursuit of profitability, but also the incorporation of strategies that yield beneficial outcomes concerning the environment and society. Such practices may include the reduction of resource consumption, the minimization of waste, the enhancement of social equity, and the fostering of community well-being.

Table 2: Components of Sustainable Business Models

Component	Description
Value proposition	The value proposition of a sustainable business model goes beyond offering products or services that meet customer needs. It includes delivering environmental and social benefits, such as reducing carbon footprints, promoting fair labor practices, or enhancing community well-being (Boons & Lüdeke-Freund, 2019).
Value creation and delivery	In sustainable business models, value creation and delivery are closely linked to the principles of the circular economy and resource efficiency. This involves designing products and processes that minimize waste, extend product lifecycles, and make use of renewable resources (Geissdoerfer et al., 2020).
Value capture	Value capture in sustainable business models often includes not only financial returns but also social and environmental benefits. Companies may capture value through cost savings from resource efficiency, revenue from sustainable products, or enhanced brand reputation (Evans et al., 2017).
Stakeholder engagement	Sustainable business models require active engagement with a wide range of stakeholders, including customers, employees, suppliers, communities, and the environment. This engagement is essential for understanding and addressing the needs and expectations of all stakeholders, ensuring that the business model is truly sustainable (Stubbs & Cocklin, 2008).

A defining feature of sustainable business models is their emphasis on long-term value creation, as opposed to the pursuit of immediate financial gains. This long-term perspective is of paramount importance for addressing the systemic challenges of sustainability, including climate change, resource depletion, and social inequality (Tunn et al., 2019). Holistic value creation is a core tenet of sustainable business models, which seek to balance the needs of the present with those of future generations. This ensures that business activities do not compromise the ability of future generations to meet their own needs.

The characteristics of sustainable business models may be grouped into several key components, which are presented in Table 2.

1.3.2 Types of Sustainable Business Models

In the academic literature, several distinct sustainable business models have been identified, each with a specific focus on sustainability.

- *Circular business models.* These models prioritize the closure of product life cycles through the implementation of recycling, remanufacturing, and product-as-a-service strategies. By designing products with durability and recyclability in mind, companies can reduce waste and reliance on virgin materials (Haigh & Hoffman, 2012).
- *Social enterprise models.* They represent a distinct category of sustainable business models. A defining characteristic of social enterprises is their dual focus on social and financial objectives. Such enterprises frequently address particular social issues, such as poverty or inequality, and reinvest profits in accordance with their social mission (Wilson & Post, 2013).
- *Hybrid models.* Hybrid models integrate traditional business practices with sustainability objectives. The objective is to achieve a balance between financial performance and social and environmental impact, frequently through the introduction of innovative products, services, or business practices (Haigh & Hoffman, 2012).

A fundamental aspect of sustainable business models is innovation. It enables companies to develop new products, processes, and business practices that reduce environmental impact, enhance social equity, and create economic value. As Boons and Lüdeke-Freund (2019) observe, innovation in sustainable business models frequently entails a comprehensive rethinking of the entire business system, encompassing all stages from sourcing and production to distribution and consumption.

For instance, companies that have adopted circular business models may innovate by designing products that are more easily disassembled and recycled, or by developing new methods for delivering services that reduce the necessity for physical

products (Tunn et al., 2019). Similarly, social enterprises may innovate by developing novel financing mechanisms that facilitate the expansion of their social impact while maintaining financial sustainability (Haigh & Hoffman, 2012).

1.3.3 Challenges and Future Directions of Sustainable Business Models

Despite the growing interest in sustainable business models, there are several challenges that businesses face in adopting and scaling these models. One of the main challenges is aligning financial performance with sustainability goals. This often requires significant upfront investment in new technologies, processes, and stakeholder relationships, which can be difficult to justify in the short term (Evans et al., 2017).

Another challenge is the need for systemic change in markets and regulatory frameworks to support sustainable business models. This includes creating incentives for sustainable practices, such as carbon pricing, as well as removing barriers to innovation, such as outdated regulations or lack of infrastructure (Geissdoerfer et al., 2020).

Looking forward, the future of sustainable business models will likely involve greater integration of digital technologies, such as artificial intelligence and blockchain, to enhance transparency, efficiency, and stakeholder engagement. These technologies have the potential to revolutionize how businesses create, deliver, and sustainably capture value, paving the way for more resilient and equitable economies (Lüdeke-Freund et al., 2018).

1.4 Linking Sustainable Startups and Sustainable Business Models

The concepts of sustainable startups and sustainable business models are linked, with the former frequently serving as a conduit for the latter's tangible implementation. A sustainable startup is defined as a new business venture that prioritizes environmental and social impacts alongside profitability. In contrast, a sustainable business model provides the framework that enables the startup to operate in a way that contributes positively to society and the planet. This section examines the theoretical interconnections between these two concepts, explaining

the way sustainable business models facilitate the growth and success of sustainable startups, and vice versa.

1.4.1 Sustainable Business Models as a Foundation for Sustainable Startups

The sustainable business model (SBM) represents the fundamental operational framework of sustainable startups. A SBM provides a strategic framework that integrates social, environmental, and economic objectives into the core of the startup's mission, values, and operations. As Lüdeke-Freund et al. (2018) posit, sustainable business models (SBMs) are a crucial element for sustainable startups, as they extend beyond the conventional profit-maximizing models to encompass value creation that benefits the environment and society.

To illustrate, startups that adopt circular business models prioritize the extension of product life cycles through recycling, remanufacturing, and the design of durable products (Tunn et al., 2019). Such models assist startups in reducing waste and reliance on virgin materials, thereby aligning with the objectives of sustainability. Similarly, inclusive business models that integrate underserved populations into the value chain provide not only economic opportunities but also help address social inequality, thereby making the business both profitable and socially impactful (Geissdoerfer et al., 2020).

Innovation represents a pivotal link between sustainable startups and SBMs. Sustainable startups are typically innovation-driven, employing novel technologies or business practices to address environmental or social issues. Innovation in SBMs frequently entails a reconsideration of conventional business practices, with a particular focus on sustainability challenges and the generation of novel market opportunities (Boons & Lüdeke-Freund, 2019).

Moreover, sustainable startups frequently engage in business model experimentation, evaluating diverse strategies for attaining their sustainability objectives (Tun & Short, 2021). Such experimentation is pivotal in the development of scalable solutions that align financial returns with environmental and social impact, thereby facilitating the growth of sustainable startups while ensuring their continued alignment with their core values.

1.4.2 The Role of Stakeholder Engagement

Both sustainable startups and SBMs rely to a significant extent on stakeholder engagement. Sustainable startups must collaborate closely with a diverse range of stakeholders, including customers, investors, suppliers, and regulators, in order to guarantee that their business practices are aligned with sustainability objectives. In a sustainable business model (SBM), stakeholder engagement is of paramount importance for understanding the needs and expectations of different stakeholders and ensuring that value is created not only for shareholders but also for society and the environment (Schaltegger & Wagner, 2011).

For instance, in the context of a sustainable startup focused on renewable energy, it is of paramount importance to engage with stakeholders such as local communities, government agencies, and investors in order to facilitate the scaling of the business while simultaneously minimizing the environmental impact. The SBM framework facilitates this engagement by emphasizing transparency, collaboration, and long-term relationships (Stubbs & Cocklin, 2008).

1.4.3 The Triple Bottom Line Approach

The 'triple bottom line' (TBL) approach, which encompasses social, environmental, and economic dimensions, is a foundational concept in both SBMs and sustainable startups. As Elkington (2018) states, the TBL enables startups to assess success in a manner that extends beyond mere profit, prompting them to contemplate their comprehensive impact on society and the environment. For sustainable startups, the TBL serves as a foundational tenet that informs the design of their products, engagement with customers, and definition of business objectives.

SBMs are constructed around the TBL, providing sustainable startups with a systematic approach to delivering value across all three dimensions. To illustrate, a sustainable startup that produces eco-friendly packaging may utilize an SBM that prioritizes reducing carbon emissions (environmental), promoting fair labor practices (social), and maintaining profitability through innovation and cost management (economic). By aligning their business practices with the TBL, sustainable startups can ensure long-term success while addressing global sustainability challenges (Geissdoerfer et al., 2020).

1.4.4 Challenges and Future Directions

While the connection between sustainable startups and SBMs offers significant potential, it also presents several challenges. One of the most significant ones is striking a balance between financial sustainability and social and environmental goals. Sustainable startups frequently encounter pressure to achieve rapid growth and profitability, which can occasionally be at odds with their sustainability objectives (Cohen & Winn, 2007). Additionally, sustainable startups may encounter difficulties in accessing capital, as traditional investors may be hesitant to invest in ventures that prioritize long-term impact over short-term returns (Hockerts & Wüstenhagen, 2010).

In the future, the integration of digital technologies such as blockchain, AI, and the Internet of Things (IoT) will further reinforce the connection between sustainable startups and SBMs by improving transparency, efficiency, and stakeholder engagement. These technologies will equip startups with the tools they need to monitor their sustainability performance in real time, optimize resource use, and engage with consumers in new and innovative ways (Lüdeke-Freund et al., 2018).

1.5 Sustainable Business Model Canvas

The business model canvas (BMC) is a strategic management tool designed to facilitate the visualization, design, and reinvention of a business model. The BMC was developed by Alexander Osterwalder and Yves Pigneur in 2010. It provides a structured layout that breaks down the essential components of a business model into a single, easy-to-understand visual chart. This canvas is a popular tool among entrepreneurs and companies for developing new business models or documenting existing ones (Osterwalder & Pigneur, 2010).

The BMC provides a visual representation of a company's business model. A business model is a conceptual structure that supports the viability of a business and explains how the company operates, generates revenue and achieves its goals (Teece, 2010). The canvas serves as a blueprint, outlining the functional components of a business model and how it interacts with various business elements, including its customer base, sales channels, and revenue streams (Osterwalder & Pigneur, 2010).

The BMC is therefore an invaluable tool for outlining the operational and strategic requirements of a business model in detail. It is a practical tool that can be used to develop effective strategies for achieving business success and sustainability. It is particularly effective for simplifying complex business scenarios, aligning teams, and testing new business ideas.

The sustainable business model canvas is an adaptation of the traditional business model canvas that integrates sustainability principles directly into the business planning process. This iteration builds upon the original by incorporating not only economic but also environmental and social considerations into the development of a business strategy. It assists entrepreneurs in considering the broader implications of their business decisions.

The key components often included in a sustainable business model canvas are as follows (Osterwalder & Pigneur, 2010):

- **Value proposition:** Focuses on the sustainability benefits or the eco-friendly advantages of the product or service.
- **Customer segments:** Targets customers who value sustainability, including environmentally conscious consumers, businesses, and other organizations.
- **Channels:** Considers the most eco-efficient methods to deliver the product or service, such as digital delivery or sustainable logistics.
- **Customer relationships:** Emphasizes building long-term relationships through transparency and shared values on sustainability.
- **Revenue streams:** Explores ways to generate revenue that also encourage sustainable practices, like leasing instead of selling products or providing services that support the circular economy.
- **Key resources:** Identifies critical assets that are sustainable, such as renewable materials or energy sources.
- **Key activities:** Highlights sustainable practices in production, operations, or service provision.
- **Key partnerships:** Includes collaborations with other sustainable businesses, NGOs, or community organizations.

- **Cost structure:** Accounts for costs associated with implementing sustainable practices, possibly leading to higher short-term costs but lower long-term expenses.
- **Eco-social costs:** Considers the environmental and social costs incurred by the business operations.
- **Eco-social benefits:** Focuses on the positive environmental and social impacts the business creates, such as employment in disadvantaged communities, conservation of resources, and reduction of waste and emissions.

All components are typically presented in accordance with the format shown in Figure 1, which represents a sustainable business model canvas or framework.

Key partners	Key activities	Value proposition	Customer relationships	Customer segments
	Key resources		Channels	
Cost structure		Revenue streams		
Eco-social costs		Eco-social benefits		

Figure 1: Sustainable Business Model Canvas

Vir: (Osterwalder & Pigneur, 2010).

The canvas enables businesses to align their operational and strategic decisions with broader sustainability goals, making it an invaluable tool for entrepreneurs seeking to make a positive impact on the world while also building economically viable ventures.

The sustainable business model canvas is a flexible tool that can be used in a variety of strategic management and business development contexts, with applications across a range of objectives. The following is a brief overview of its primary applications:

1. Assess the current situation:

The objective is to evaluate the existing business model systematically. This process allows for the identification of both the model's strengths and weaknesses, as well as an understanding of its alignment with and support for the organization's overarching strategic objectives.

2. Develop ideas for improvement of an existing business model:

The objective of this phase is to develop ideas for improvement of an existing business model. This is done by exploring potential changes or optimizations in various segments of the canvas with the purpose of refining and enhancing the current business model. By re-evaluating components such as value propositions, customer segments, key activities, and resources, businesses may identify opportunities to enhance efficiency, reduce costs, or improve customer satisfaction.

3. Create a new business model:

It is a strategic move in response to several potential scenarios. These include the launch of a new business venture or the repositioning of an existing one in the context of significant market shifts or emerging opportunities. The benefits derived from this approach are manifold, and it can be employed in situations requiring the navigation of disruptive market forces, the penetration of new markets, or the utilisation of innovative technologies. The exploration of new revenue streams, customer bases and strategic partnerships are just a few of the avenues that may be pursued.

Each of these aims requires a comprehensive examination of each element of the sustainable business model canvas, which encourages critical thinking and creative problem-solving to enhance business viability and competitiveness. The canvas provides a foundational tool to support strategic decisions and foster business

growth, regardless of whether an organization is evaluating the current state, adjusting, or initiating a new venture.

2 Case Study

2.1 Learning Outcomes

By the end of this case study, students should be able to:

Learning Outcome 1: Complete the business model canvas for a sustainable business: Accurately assess and fill out ECOALF's current business model using the BMC framework, analyzing how the company's activities, partnerships, resources, and customer strategies align with its sustainability goals.

Learning Outcome 2: Identify areas for improvement in an existing business model: Critically evaluate ECOALF's existing business model, identifying strengths and weaknesses across different elements of the BMC, and determining where improvements or innovations can be introduced.

Learning Outcome 3: Develop innovative ideas to enhance a business model: Propose practical, innovative solutions to improve ECOALF's business model, including optimizing sustainability practices, enhancing customer engagement, and leveraging new technologies or partnerships.

Learning Outcome 4: Understand the role of sustainability in business strategy: Explain how ECOALF integrates sustainability into its business model and the wider fashion industry, exploring how the circular economy, resource efficiency, and sustainable consumption are central to its operations.

Learning Outcome 5: Apply strategic thinking to business model innovation: Utilize strategic thinking to create a more effective and sustainable business model for ECOALF, considering the long-term impact of proposed changes on the company's growth, profitability, and environmental commitment.

2.2 Introduction to ECOALF Case

This case study examines ECOALF's unique business model, its evolution from a startup to a global brand, and its impact on both the fashion industry and environmental conservation. Furthermore, it considers the broader context of the fashion industry, contrasting the growth of fast fashion with the increasing prevalence of sustainable fashion.

ECOALF, established in 2009 by Javier Goyeneche, is a pioneering sustainable fashion brand headquartered in Spain (ECOALF, 2024). The company was established to address the environmental consequences of excessive consumption and waste, with a particular emphasis on plastic pollution. ECOALF's fundamental objective is to transform recycled materials, including plastic bottles, fishing nets, and used tires, into premium fashion products that retain their aesthetic appeal and functionality. As the inaugural Spanish fashion company to attain B Corp certification, ECOALF has emerged as a global pioneer in sustainable fashion, demonstrating that recycling and innovation can be effectively integrated to address some of the world's most pressing environmental challenges.

2.3 Fast Fashion vs. Sustainable Fashion

The term 'fast fashion' is used to describe a production model in the textile industry where clothing is produced rapidly, in large quantities, and at a low cost. This approach enables brands to expeditiously release new collections, yet it is accompanied by a considerable environmental cost. The garments are frequently designed for brief use, resulting in elevated waste levels and contributing to pollution through the substantial utilization of water, chemicals, and energy (Niinimäki et al., 2020). Furthermore, fast fashion is a significant contributor to the industry's considerable carbon footprint (UNEP, 2023).

It is evidenced by studies that the fashion industry is one of the most polluting sectors globally (Niinimäki et al., 2020; Ellen MacArthur Foundation, 2017). However, implementing sustainable practices can mitigate the environmental impact, thereby fostering a more ethical and responsible future for the industry (Bick et al., 2018). ECOALF, as a brand driven by sustainability, is in direct opposition to the fast fashion model. It focuses on eco-friendly materials and responsible

manufacturing processes with the goal of creating positive environmental change (Charter et al., 2023).

The popularity of fast fashion can be attributed to its capacity to provide consumers with a range of affordable, trend-aligned garments, enabling them to remain up-to-date with the latest fashion developments at a relatively low cost (Cachon & Swinney, 2011). The introduction of new styles regularly makes fashion more accessible and contributes to a culture of instant gratification. This model appeals to consumers who desire the ability to swiftly refresh their wardrobes without incurring significant financial costs.

However, while fast fashion offers affordability and accessibility, it also has significant environmental and social consequences (Bick et al., 2018). The growing awareness among consumers about the environmental and social consequences of fast fashion has prompted a shift in how many people approach clothing consumption, with an increased interest in more sustainable fashion alternatives (Niinimäki et al., 2020).

2.3.1 Consequences of Fast Fashion

The fast fashion production model has been identified as a significant contributor to environmental degradation. The rapid manufacturing processes employed by this industry result in the consumption of vast quantities of water and energy, which in turn gives rise to the generation of excessive textile waste and severe pollution. The contribution of fast fashion to water pollution, through the discharge of untreated wastewater and the use of harmful dyes, and its reliance on inexpensive, synthetic fibres serve to further exacerbate environmental damage (Niinimäki et al., 2020). The use of synthetic fibres, such as polyester, which are derived from fossil fuels, not only contributes to carbon emissions but also results in the release of microplastics into water bodies, which in turn harms aquatic ecosystems (Henry et al., 2018).

From a social perspective, the fast fashion industry is frequently linked to substandard working conditions in garment factories, where low remuneration and lengthy working hours are prevalent. These factories are subjected to persistent pressure to fulfill ambitious production deadlines, which can precipitate the

exploitation of workers (Clean Clothes Campaign, 2020). The industry has been the subject of criticism regarding the safety of working conditions, as evidenced by the Rana Plaza collapse in 2013 (Akhter et al., 2019). Furthermore, the unrelenting pursuit of novel trends fosters a culture of excessive consumption, perpetuating the cyclical process of purchasing and discarding garments (Bick et al., 2018).

In recent decades, fast fashion brands have come to dominate the market, largely due to their ability to offer trendy, low-cost clothing. The fashion industry is the second-largest contributor to global pollution, trailing only the oil industry (Fashion Revolution, 2023). The high volume of production and rapid turnover characteristic of fast fashion contributes to the overuse of natural resources, textile waste, and widespread environmental pollution (UNEP, 2023).

Several well-known fast fashion brands have faced criticism for their environmental and labor practices. Despite this, consumer demand for cheap, fashionable clothing has kept these brands at the forefront of the industry (Niinimäki et al., 2020). However, there is a growing movement toward sustainable fashion, as consumers increasingly seek ethical alternatives (Gwozdz et al., 2017). Brands like ECOALF have emerged as leaders in this shift, focusing on transparency, social responsibility, and the use of recycled materials to create high-quality, eco-friendly garments (Charter et al., 2023).

2.3.2 Sustainable Fashion as an Alternative to Fast Fashion

The concept of sustainable fashion represents a more responsible and ethical alternative to the fast fashion model. In contrast to the prioritization of mass production and disposable clothing, sustainable fashion places a premium on slower, more contemplative production techniques that are designed to minimize environmental impact (Fletcher & Grose, 2012). Brands such as ECOALF are at the vanguard of this movement, utilising recycled materials and implementing sustainable practices throughout their production processes and supply chains (Charter et al., 2023).

The selection of sustainable fashion over fast fashion provides support to brands that prioritize environmental and social responsibility. This transition has the potential to reduce waste, minimize pollution, and conserve natural resources

(Niinimäki et al., 2020). The practice of sustainable fashion not only encourages a more eco-conscious lifestyle but also contributes to the overall health of the planet by promoting more responsible consumption practices (Gwozdz et al., 2017).

The concept of sustainable fashion extends beyond a mere trend; rather, it represents a dedication to fostering a more sustainable future for our planet and future generations. This commitment reflects a collective effort to safeguard the environment while maintaining style and quality (Henninger et al., 2016).

2.4 About Startup ECOALF

In 2009, entrepreneur Javier Goyeneche founded ECOALF, which has become a pioneering response to one of the most significant challenges of our time: environmental degradation resulting from excessive consumption and waste (ECOALF, 2024). ECOALF's mission is to transform waste materials into high-quality fashion products while simultaneously reducing the industry's ecological footprint. The company's slogan, 'Because there is no Planet B,' encapsulates its core philosophy, which is based on the principles of sustainability, innovation, and responsibility (ECOALF, 2024). As the inaugural Spanish fashion brand to attain B Corp certification, ECOALF has garnered global recognition for its pioneering role in advancing sustainable business methodologies and a circular economic model. During its development, the brand has expanded its operations on a global scale, attracting the attention of consumers and corporations alike due to its distinctive approach to fashion. This has positioned the brand as a leading one in the fight against climate change.

2.4.1 Startup Idea

Javier Goyeneche's idea for ECOALF stemmed from his frustration with the fashion industry's overreliance on non-renewable resources and its wasteful practices. Goyeneche was inspired by the birth of his son, Alfredo (for whom the company is named), to create a fashion brand that would not deplete the planet's natural resources but instead repurpose waste materials (ECOALF, n.d.A). He aimed to establish a company that would be known not only for its high-quality products but also for its ethical and environmental values. The objective was ambitious: to develop products made entirely from recycled materials that matched or surpassed

the quality of those made from virgin resources. Goyeneche's startup idea was based on creating a new, sustainable standard in the fashion industry—one that would not sacrifice style or durability. At its core, ECOALF was a 'story-doing' company, focused on actual impact rather than just sustainability messaging (ECOALF, n.d.A).

2.4.2 Establishment

The official launch of ECOALF in 2012 was the result of Goyeneche's two years of dedicated effort to secure the necessary materials and partners to bring his vision to fruition. With an initial investment of €2 million from private sources, ECOALF commenced operations as a small but determined enterprise (Crunchbase, n.d.A, PitchBook, n.d.; Growjo, n.d.). However, the path to establishing a sustainable fashion company was not straightforward. Goyeneche was tasked with sourcing high-quality recycled materials at an affordable cost. The recycling industry, especially in the fashion sector, was still in its infancy, and there was a lack of suppliers offering the quality that was required. Despite these challenges, ECOALF was able to form partnerships with innovative suppliers in Taiwan and Korea that specialize in transforming plastic bottles and fishing nets into fabrics. This collaboration represented a pivotal moment, enabling ECOALF to commence production of its inaugural collection, comprising stylish down jackets crafted from recycled materials. Figure 2 presents the key data on the ECOALF company.

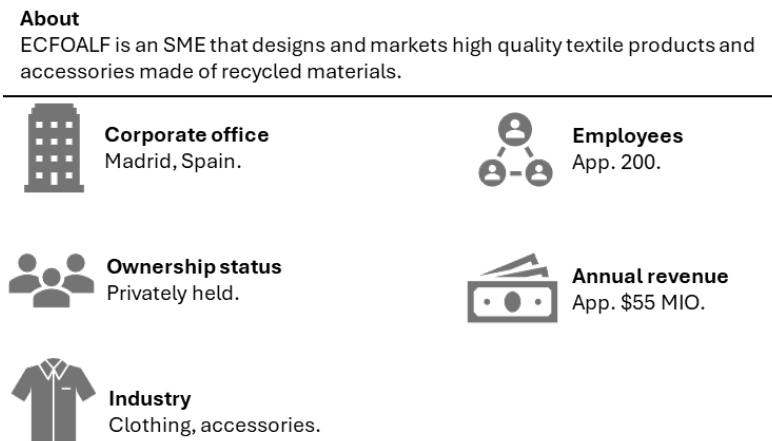


Figure 2: Data on ECOALF compa

Source: (Crunchbase (n.d.B), PitchBook (n.d.), Growjo (n.d.))

The brand's initial successes prompted the opening of its first flagship store in Madrid (ECOALF, n.d.A). The store's design was crafted not only to sell products but also to immerse customers in the brand's philosophy of sustainability. The store demonstrated ECOALF's dedication to environmental education, featuring displays and literature on the environmental impact of plastic waste, reinforcing the brand's role in the broader effort to combat pollution. This early success enabled ECOALF to gain a foothold in the Spanish market and, subsequently, to expand internationally, laying the groundwork for its growth. The company's mission and vision are illustrated in Figure 3.



Figure 3: Vision and mission of ECOALF

Source: (adapted from ECOALF (n.d.A)).

ECOALF's vision is to end the indiscriminate consumption of the planet's natural resources by establishing a new, sustainable fashion standard. The company aims to spearhead the transformation of the fashion industry by demonstrating that recycling can provide the same, if not superior, quality as conventional materials (ECOALF, n.d.A). ECOALF's vision is a future where fashion is entirely sustainable, with minimal environmental impact, and where waste is viewed as a resource.

ECOALF's mission is to develop the first generation of recycled products that match the quality, design, and technical performance of the best non-recycled products on the market. By incorporating state-of-the-art recycling technologies, ECOALF transforms waste materials such as plastic bottles, fishing nets, used tires, and coffee grounds into premium fashion products. The company's mission extends beyond the fashion industry, intending to raise awareness of environmental issues and encourage responsible consumption.

The company's primary objectives are presented in Figure 4.



Figure 4: Main goals of ECOALF

Source: (adapted from BCome (2024) and ECOALF (n.d.A)).

ECOALF has been acknowledged for its commitment to sustainability, having been named the Most Environmentally Responsible Company in Spain in both 2022 and 2023 by the Merco Ranking. Furthermore, ECOALF is included in the global top 5% of B Corp companies for its environmental practices. Furthermore, the company has pledged to become a net zero brand by 2030, which serves to underscore its ongoing dedication to environmental sustainability (ECOALF, 2023).

2.5 Business Model and Key Activities of ECOALF

ECOALF employs a circular business model, repurposing waste materials into valuable fashion products. The company sources its raw materials through partnerships with recycling facilities around the world. By transforming materials

such as plastic and discarded fishing nets into premium fabrics, ECOALF minimizes its dependence on virgin resources and makes a significant contribution to environmental conservation. The company's core activities include recycling, upcycling, product design, and development. ECOALF collaborates with designers to transform its recycled materials into high-quality, fashionable products, including durable outerwear, footwear, and accessories (ECOALF, n.d.B).

The brand's business model extends beyond manufacturing. ECOALF also focuses on advocacy and raising awareness about sustainability. The company uses its stores and online platforms to educate customers about the environmental impact of waste and the benefits of sustainable consumption. This approach not only strengthens ECOALF's mission but also helps differentiate it from other fashion brands in the marketplace.

ECOALF's business model is built on several key activities that support its sustainability mission and are provided in Figure 5.

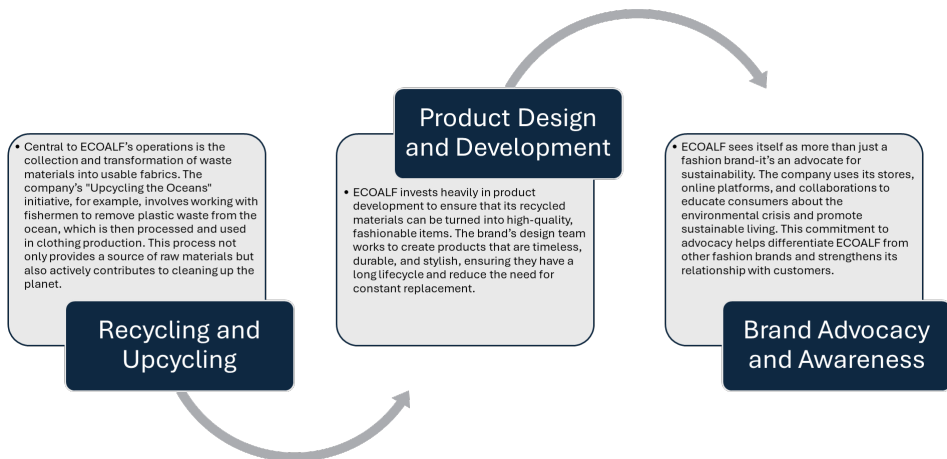


Figure 5: Key activities of ECOALF

Source: (ECOALF, n.d.B).

2.6 Innovation and Growth of ECOALF

ECOALF's development from a niche startup to an internationally recognized brand has been driven by a commitment to innovation and sustainability. By 2015, the company had initiated its most ambitious project to date, entitled 'Upcycling the Oceans.' This initiative, launched in collaboration with Spanish fishermen, aimed to remove plastic waste from the oceans and repurpose it into clothing materials. This project proved invaluable in terms of raw material sourcing for the company, while also establishing ECOALF as a leader in environmental activism. The project's success resulted in international collaborations, with the initiative being expanded to Thailand and other regions in the Mediterranean.

ECOALF has successfully completed three funding rounds, raising a total of €615K (Crunchbase, n.d.A). A detailed overview of their funding activities is provided below (Crunchbase, n.d.A; PitchBook, n.d.; Growjo, n.d.):

– Grant in 2015

In 2015, the company received its first grant. This initial investment was made by a single investor and constituted the first capital influx for ECOALF in its early stages. The provider was EASME (the EU Executive Agency for SMEs) provided support at the outset of the company's development.

– Venture Round in 2017

This venture round continued to support ECOALF's growth. Similarly, the investment was made by a single investor. The provider was Trèis, which participated in the venture round with Jonathan Fein as a partner.

– Debt Financing in 2023

The most recent round of funding was completed through debt financing. This round also had a single investor and demonstrates the ongoing financial strategies that ECOALF is employing to fund its operations. The provider was Cofides, which served as the lead investor in the debt financing round.

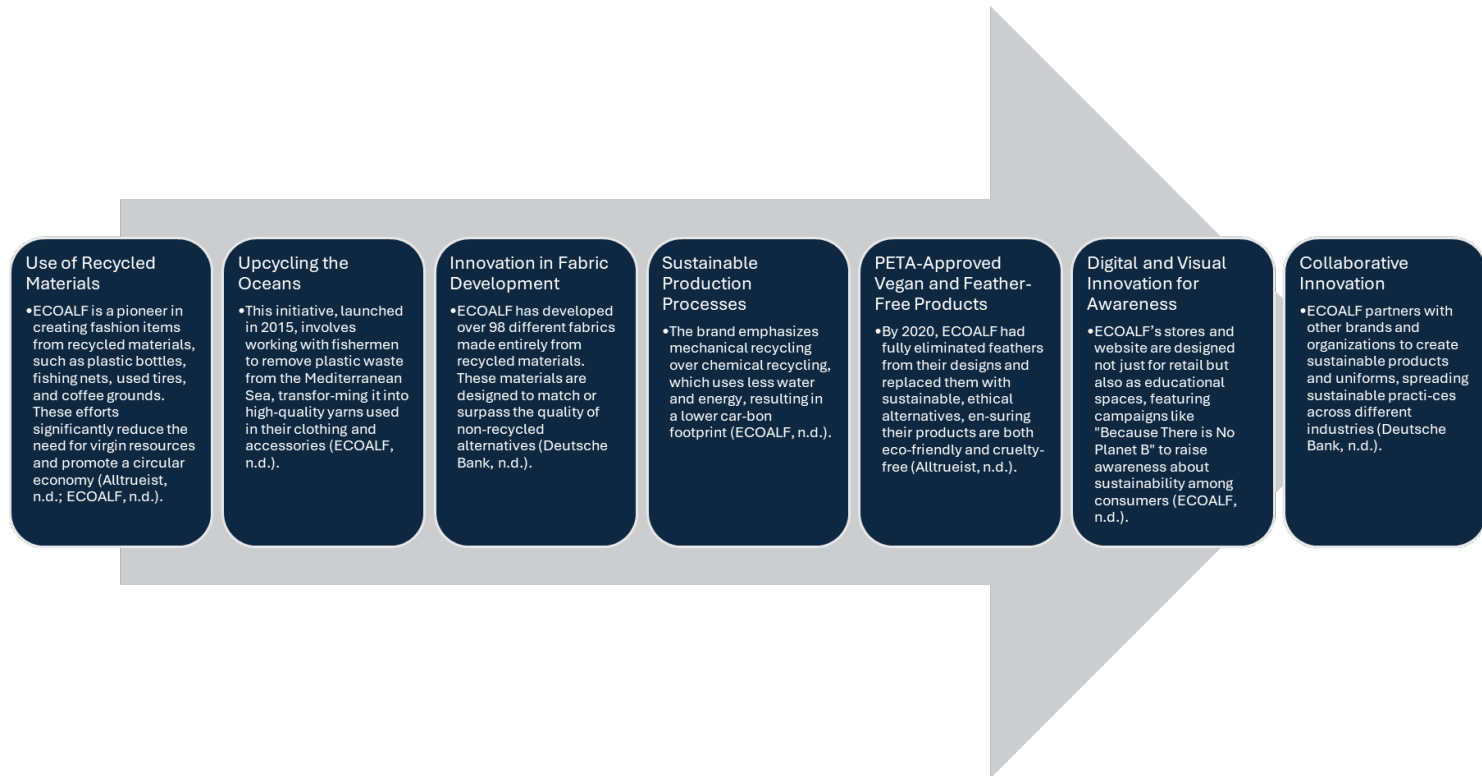


Figure 6: Innovations of ECOALF

Source: (Alltrueist (n.d.); Deutsche Bank (n.d.); ECOALF (n.d.C)).

ECOALF is renowned for its pioneering approach, particularly in the field of sustainability. Figure 6 outlines some of the company's most significant innovations.

The company's growth was not limited to ocean cleanup efforts. ECOALF expanded its product range to include swimwear, footwear, and accessories, all crafted from recycled materials, in addition to its core line of outerwear. This diversification strategy enabled the brand to expand its customer base while maintaining its commitment to sustainability. In 2017, Manor Group provided backing for ECOALF, enabling the brand to expand its operations. This included opening new flagship stores in major cities like Berlin and extending its presence to over 720 multi-brand stores across Europe, Japan, and the U.S. (Alltrueist, n.d.; Deutsche Bank, n.d.). The brand's ability to combine fashion-forward design with a clear environmental purpose has driven this growth.

2.7 Products and Resources of ECOALF

ECOALF's product range is indicative of the company's dedication to sustainability, innovation, and style. From its inception, the brand has prioritized the creation of fashion items that adhere to the highest quality standards, despite the use of recycled materials. The initial product lines encompassed durable outerwear, notably down jackets that offer warmth and protection while being crafted from recycled plastic bottles and discarded fishing nets (ECOALF, n.d.B). ECOALF's current product range includes a diverse collection of sustainable and recycled clothing and accessories, as presented in Figure 7.

One of ECOALF's most valuable resources is its access to a diverse range of recycled raw materials. The company has developed an extensive supply chain network, sourcing waste materials including plastic bottles, fishing nets, used tires, and even coffee grounds. By forming collaborative relationships with recycling facilities and manufacturing partners across the globe, ECOALF has been able to develop over 98 distinct fabrics, each crafted to align with the highest standards of quality and sustainability. These fabrics are utilized not only in ECOALF's own products but are also made available to other brands with an interest in sustainable fashion (FashionUnited, 2020).

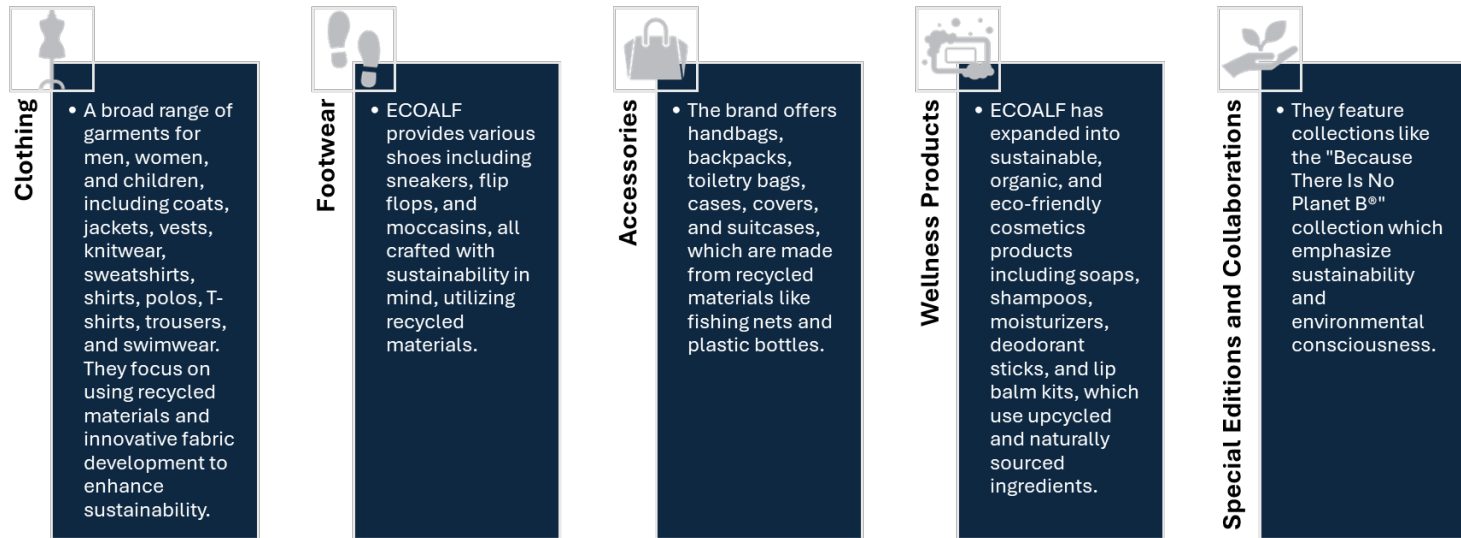


Figure 7: ECOALF's product categories

Source: (ECOALF (2024)).

Moreover, ECOALF's commitment to research and development has been instrumental in its achievements. The brand is committed to the advancement of innovative recycling processes and technologies that enhance the efficiency of waste conversion into fabric. This emphasis on research and development has enabled ECOALF to advance the frontiers of sustainable fashion, resulting in the creation of materials such as algae-based soles for sneakers and coffee-infused fabrics with UV protection (ECOALF, n.d.D).

An additional key resource for ECOALF is its brand identity. As a B Corp-certified company, ECOALF has established a reputation for transparency, ethical production, and environmental activism. This credibility has attracted both consumers and corporate partners, thereby consolidating ECOALF's position as a leader in the sustainable fashion movement (ECOALF, 2022).

2.8 Customers and Channels of ECOALF

ECOALF caters to a heterogeneous customer base, unified by their dedication to sustainability. The brand's primary customer segments include (ECOALF, n.d.E):

- **Environmentally conscious consumers**

purchasing decisions. These customers are attracted to ECOALF's transparent environmental mission and its capacity to provide high-quality, aesthetically pleasing products that are also sustainable.

- **Corporate partners**

ECOALF has successfully engaged in collaborative endeavors with prominent brands such as Starbucks, Room Mate Hotels, and Swatch, resulting in the creation of co-branded products that exemplify sustainability. These partnerships generate additional revenue while simultaneously expanding ECOALF's influence within the corporate world, thereby positioning the brand as a sustainability consultant and supplier.

- **B2B clients**

ECOALF's development of distinctive recycled fabrics has garnered interest from other fashion brands seeking to integrate sustainable materials into their own collections. By offering its fabrics to other brands, ECOALF is facilitating the broader adoption of recycled materials across the industry.

ECOALF's customer relationships are founded upon a mutual commitment to sustainability and ethical consumption. The brand employs an educational approach in its interactions with customers, utilizing its stores and online platforms to

disseminate knowledge about the environmental impact of waste and the significance of sustainable practices. This approach has facilitated the development of a loyal customer base that is aligned with the brand's mission (Calvo Ibáñez, 2019).

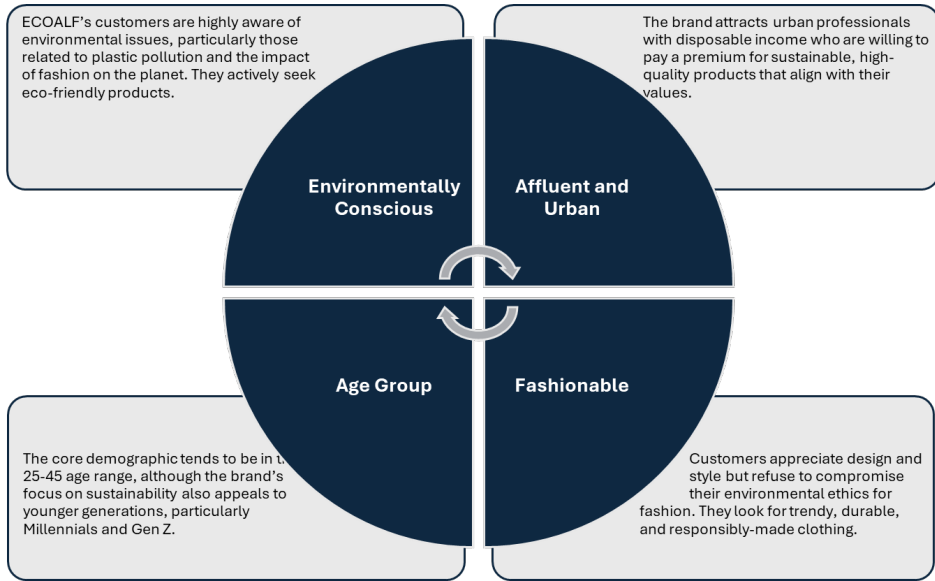


Figure 8: Customers profile of ECOALF

Source: (Calvo Ibáñez, 2019).

The typical customer profile of ECOALF is gender-neutral, with a slight tendency toward female consumers. However, the brand appeals to both men and women equally. Figure 8 presents the primary characteristics of the typical customer. ECOALF's products and messaging are designed to resonate with environmentally conscious individuals who prioritize sustainability in their purchasing decisions.

ECOALF applies a multi-channel distribution strategy to reach its heterogeneous customer base. These channels include (ECOALF, n.d.A; Deutsche Bank, n.d.):

– **Physical stores**

ECOALF's flagship stores in Madrid and Berlin provide customers with an immersive brand experience that combines retail with education about sustainability. The stores feature interactive displays that elucidate the impact of plastic waste and exemplify the brand's recycled materials.

– **E-commerce**

The company's website functions as a global platform for sales, enabling customers from diverse geographical locations to purchase ECOALF's products. Although e-commerce represents a smaller proportion of the company's total revenue, it offers the potential to reach a broader audience and enhance brand visibility.

– **Wholesale partnerships**

ECOALF's products are distributed through high-end department stores, including Selfridges, Galeries Lafayette, and El Corte Inglés, as well as multi-brand concept stores. These partnerships facilitate the expansion of ECOALF's reach beyond its own retail locations.

– **Corporate collaborations**

ECOALF engages in collaborative endeavors with entities such as Starbucks and Room Mate Hotels, resulting in the co-creation of sustainable products, including uniforms crafted from recycled materials. Such collaborations not only provide an additional revenue stream but also serve to reinforce ECOALF's position as a leader in sustainable fashion.

2.9 Cost and Revenue Structure of ECOALF

ECOALF's cost structure reflects the complexity of producing high-quality sustainable products. The main cost drivers include (ECOALF, n.d.A; ECOALF, n.d.B):

– **Research and development**

A significant portion of ECOALF's budget is dedicated to R&D, as the company constantly seeks to innovate new recycling processes and develop sustainable materials that meet its high standards.

– **Manufacturing**

Producing garments from recycled materials is more expensive than traditional manufacturing due to the complexity of sourcing and processing waste. ECOALF invests in ensuring that its products maintain a high level of quality while minimizing environmental impact.

– **Logistics and supply chain**

ECOALF's global supply chain involves collecting waste from oceans, processing it in specialized facilities, and distributing the finished products internationally. This process incurs additional costs compared to conventional fashion supply chains (ECOALF, n.d.A).

– **Marketing and education**

ECOALF spends on campaigns aimed at raising awareness about the environmental crisis and promoting its sustainability mission. These marketing efforts are essential for building the brand's reputation and driving sales. ECOALF generates revenue through a variety of streams, reflecting its diversified business model (ECOALF, n.d.A):

- *Product sales:* The sale of sustainable clothing and accessories is the primary revenue stream. ECOALF's products are sold through its own stores, e-commerce platforms, and wholesale partners.
- *Corporate collaborations:* ECOALF's partnerships with companies like Starbucks and Swatch generate revenue from co-branded products and uniforms made from recycled materials. These collaborations help increase ECOALF's visibility and reach.

- *Fabric licensing*: ECOALF has the potential to license its innovative recycled fabrics to other fashion brands, creating a new revenue stream while promoting sustainability in the wider industry.

2.10 Results

ECOALF has successfully positioned itself as a leader in sustainable fashion by integrating sustainability into every aspect of its business model. From sourcing recycled materials to educating consumers about the environmental crisis, ECOALF has redefined what it means to be a responsible fashion brand. Through its innovative use of waste, its commitment to R&D, and its strategic collaborations, ECOALF has created a brand that not only produces high-quality products but also actively contributes to a healthier planet. This comprehensive case study provides all the necessary information for filling out a sustainable business model canvas, detailing key partners, activities, resources, customer segments, channels, relationships, cost structure, and revenue streams.

3 Discussion Questions

Before answering the questions and developing a sustainable business model, it is essential to review the case study on ECOALF. The objective is to analyze the current sustainable business model and then to develop ideas for its improvement. Begin by mapping out the company's existing business model using the sustainable business model canvas framework, focusing on all key components. Once the current situation is clear, consider potential innovations and strategies that could enhance ECOALF's operations and impact.

3.1 Tasks Overview

In this case study, your task is twofold:

Stage 1: assess the current situation using the sustainable business model canvas

Your initial task is to analyse ECOALF's present business model by completing the Sustainable Business Model Canvas framework. You need to focus on all eleven key components: Key Partners, Key Activities, Key Resources, Value Proposition,

Customer Segments, Customer Relationships, Channels, Cost Structure, Revenue Streams, Eco-Social Costs and Eco-Social Benefits. This will help you clearly understand how ECOALF operates in terms of sustainability and how its current model creates value.

Stage 2: develop ideas for improvement of the existing business model

Once the canvas has been completed to reflect ECOALF's current state, the next task is to develop innovative ideas to improve the business model. Areas for consideration include the ways in which the company can enhance its value proposition, strengthen partnerships, optimize resources, or reach new customer segments, all while maintaining its commitment to sustainability. This stage is about proposing practical solutions to help ECOALF grow and innovate in the future. As you complete the sustainable business model canvas, please use two different colours of sticky-notes to distinguish between ECOALF's existing model and your proposed improvements.

- One colour (e.g., yellow) for the existing business model,
- Another colour (e.g., green) for your ideas for improvement of existing business model.

This approach allows you to visually separate ECOALF's current operations from your suggestions for improvement, making it easier to compare and refine your ideas. You can move the notes around as needed during your brainstorming and refinement process, making this a flexible and interactive way to work on the canvas.

3.2 Questions

Use the following questions to guide you through both stages of the analysis:

1. *General:* How does ECOALF's overall business model align with the principles of sustainability and the circular economy? In what ways does the company set itself apart from traditional fashion brands through its business practices?
2. *Canvas Overview:* Using the sustainable business model canvas framework, analyze how all the elements (key partners, key activities, key resources, value proposition, customer segments, customer relationships, channels, cost

structure, and revenue streams) interact in ECOALF's sustainable business model. How do these components work together to create value for both the company and the environment?

3. *Current Business Model Assessment:* Now that you have mapped out ECOALF's current business model using the canvas, identify areas where the company excels and areas where there may be challenges or room for improvement. For example, are there any key activities or resources that could be optimized to increase sustainability or profitability?
4. *Opportunities for Innovation:* With the current business model canvas in mind, brainstorm innovative ways ECOALF could further enhance its business model. How could new technologies, partnerships, or market strategies be integrated to improve the company's value proposition, customer reach, or operational efficiency?
5. *Improvement and Growth Strategies:* After identifying potential improvements, propose actionable steps ECOALF could take to refine its business model. How could the company better leverage its key resources or partners? What strategies could be implemented to engage new customer segments or strengthen customer relationships, all while maintaining its commitment to sustainability?

Use the following detailed questions to guide you through each element of sustainable business model canvas:

1. **Value Propositions:** What unique value does ECOALF offer to its customers?
 - What specific sustainability elements make ECOALF's products stand out?
 - How does ECOALF differentiate itself from other fashion brands in terms of environmental impact?
 - How does ECOALF ensure its products are both sustainable and stylish?
2. **Customer Segments:** Who are ECOALF's target customers?
 - What demographic characteristics (age, income, values) describe ECOALF's customers?
 - How do ECOALF's customers perceive sustainability and ethical fashion?
 - Are there any niche segments that ECOALF focuses on (e.g., eco-conscious consumers, millennials)?

3. **Channels:** How does ECOALF deliver its products to customers?
 - Through which physical or digital channels does ECOALF sell its products (e.g., retail stores, online platforms)?
 - How does ECOALF's distribution model support sustainability?
 - What strategies does ECOALF use to minimize its carbon footprint in its logistics?

4. **Customer Relationships:** How does ECOALF build and maintain relationships with customers?
 - What communication strategies does ECOALF use to engage with customers about sustainability?
 - How does ECOALF foster customer loyalty and community involvement?
 - Are there specific customer service initiatives that emphasize ECOALF's sustainable mission?

5. **Revenue Streams:** Where does ECOALF's revenue come from?
 - What are ECOALF's primary product lines or services that generate revenue?
 - Does ECOALF have multiple income sources, such as partnerships, collaborations, or licensing?
 - How does the price point of ECOALF's sustainable products compare to conventional brands?

6. **Key Resources:** What resources are essential for ECOALF to operate?
 - What raw materials are crucial to ECOALF's production (e.g., recycled fabrics)?
 - Does ECOALF rely on specialized technology or expertise in sustainability?
 - How important is ECOALF's brand image in terms of sustainability to its operations?

7. **Key Activities:** What are the most important activities ECOALF must carry out to deliver value?
 - What steps does ECOALF take in sourcing and recycling materials?

- How does ECOALF’s design and production process align with its sustainability goals?
 - How does ECOALF communicate its sustainability efforts to its customers?
8. **Key Partnerships:** Who are ECOALF’s key partners and why are they important?
- What organizations, suppliers, or non-profits does ECOALF collaborate with to promote sustainability?
 - How do partnerships with recycling companies, manufacturers, or environmental NGOs support ECOALF’s mission?
 - How do these partnerships enable ECOALF to access sustainable materials or innovative technologies?
9. **Cost Structure:** What are ECOALF’s major costs?
- What are the primary operational expenses (e.g., material sourcing, manufacturing)?
 - How do sustainability initiatives (e.g., using recycled materials) affect ECOALF’s cost structure?
 - Are there additional costs associated with ensuring ECOALF’s supply chain is ethical and environmentally friendly?
10. **Key Eco-Social Costs:** What are ECOALF’s major environmental and social costs?
- What environmental impact does ECOALF’s production process have, and how is it mitigated?
 - Does ECOALF incur costs in terms of managing waste, emissions, or energy consumption?
 - What social costs (e.g., labor conditions, fair trade) must ECOALF address to maintain ethical production?
11. **Key Eco-Social Benefits:** What are ECOALF’s major environmental and social benefits?

- How does ECOALF contribute to reducing waste through its use of recycled materials?
- What positive environmental impact does ECOALF create by minimizing its carbon footprint?
- How does ECOALF support social causes, such as promoting fair labor practices or community development?

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Didactic Use: This case study is useful for courses in entrepreneurship and sustainable business, where students analyze how sustainability can be integrated into a startup's core strategy to achieve both environmental and economic goals. The study is particularly relevant for topics covered in FEB courses such as *Sustainable development for businesses*, *Entrepreneurship*, and *International and digital entrepreneurship* on undergraduate and master's programs.